

# CHAPTER 1. EXISTING FARMS REPORT

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## INTRODUCTION

Farming and ranching have been part of the economic, cultural, and environmental fabric of Placer County since the first mass arrivals of Europeans and the discovery of gold near Auburn 1848. The County's climate, water availability and proximity to transcontinental transportation routes made it one of the leading tree fruit growing regions in the United States for over a century, a position the County retained until disease and competition decimated the industry in the 1960s.

This chapter assesses the western County's existing farming operations in western Placer County, including the viability of the soils, size of farming operations, crop values, trends in agriculture, labor supply, and impacts of population growth.

The information contained in this chapter draws from several sources, of which the primary source is *Placer County Agricultural Study* (University of California Cooperative Extension, Fall 2000). The agricultural study is particularly relevant to this chapter due to the current data and survey results compiled from survey responses by several hundred Placer County agricultural landowners. The study, which provides an overview of population growth impacts on agriculture; agricultural land characteristics; farm ownership and operations; and farm economics in the western County, largely serves as the background report for this chapter and others in the *Western Placer County Agricultural Land Assessment* report.

## AGRICULTURE AND ZONING ORDINANCES

Zoning ordinances can impact the uses of agricultural lands in a variety of ways. Certain activities may be allowed, "by right", on lands zoned for agricultural use, while other activities may require permits. *Table 1-1* compares zoning ordinances relative to agriculture in Placer, El Dorado and Nevada Counties. While such comparison might be similar to comparing apples with oranges, this analysis does shed light on the different regulatory environments within which agriculture must operate in each county.

**TABLE 1-1**  
**Zoning Ordinances and Allowable Agriculture Uses**  
**Three-County Comparison**

Placer County	El Dorado County	Nevada County
ALLOWED USES		
<ul style="list-style-type: none"> <li>• Crop production</li> <li>• Equestrian facilities</li> <li>• Fisheries and game preserves</li> <li>• Forestry</li> <li>• Grazing</li> <li>• Storage, accessory</li> <li>• Pipelines and transmission lines</li> </ul>	<ul style="list-style-type: none"> <li>• Single-family dwelling and attendant structures (garages, pumphouses, etc.)</li> <li>• Renting of one room within dwelling</li> <li>• One guest house not for rent or lease (not to exceed 400 square feet, no kitchen facilities)</li> <li>• Home occupations</li> <li>• Raising and grazing of livestock and other animals</li> <li>• Growing of trees, fruits, vegetables, flowers, grain and other crops</li> <li>• Packing and processing of agricultural products produced on premises, without changing the nature of the products</li> <li>• Sale of products produced on the premises</li> <li>• Any structure or use incidental to the foregoing uses</li> <li>• Unlighted sign</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural uses and structures, including but not limited to, barns, temporary or permanent facilities for the sale of products grown on site, wholesale plant nurseries and private stables.</li> <li>• Crop and tree farming</li> <li>• Storage structures for resource management</li> <li>• Wineries</li> <li>• Home businesses</li> <li>• Community care facilities for 6 or fewer people</li> <li>• Single-family dwellings</li> <li>• Day care (8 or fewer children)</li> <li>• Residential accessory uses and structures, including but not limited to private greenhouses, private garages, private kennels, swimming pools, fences, owner/address signs</li> <li>• Residential guest quarters</li> <li>• Temporary use of mobile home or RV during</li> </ul>

**TABLE 1-1**

**Zoning Ordinances and Allowable Agriculture Uses  
Three-County Comparison**

Placer County	El Dorado County	Nevada County
	<ul style="list-style-type: none"> <li>• Drilling of wells</li> <li>• Public utility distribution lines</li> <li>• Packing, processing and sale of products produced off-site in conjunction with those produced on-site (Exclusive Agriculture)</li> <li>• Wineries and wine tasting facilities (Exclusive Agriculture)</li> </ul>	<p>dwelling construction</p> <ul style="list-style-type: none"> <li>• Transitional housing for fewer than 6 people</li> <li>• Pedestrian and equestrian trails</li> </ul>
USES REQUIRING ZONING CLEARANCE		
<ul style="list-style-type: none"> <li>• Agricultural accessory structures</li> <li>• Home occupation</li> <li>• Mobile homes</li> <li>• Residential accessory uses</li> <li>• Residential care homes, 6 or fewer clients (Farm Zone only)</li> <li>• Single-family dwellings</li> <li>• Temporary dwellings</li> </ul>		

**TABLE 1-1**  
**Zoning Ordinances and Allowable Agriculture Uses**  
**Three-County Comparison**

Placer County	El Dorado County	Nevada County
<ul style="list-style-type: none"> <li>Roadside stands for agricultural products</li> <li>Child day care, family care homes (Farm Zone only)</li> <li>Offices, temporary (Agricultural Exclusive Zone only)</li> <li>Storage of petroleum products, on-site use</li> </ul>		
<b>USES REQUIRING ADDITIONAL PERMITS</b>		
<ul style="list-style-type: none"> <li>Agricultural processing</li> <li>Animal sales yards, feedlots, stockyards</li> <li>Chicken, turkey and hog ranches</li> <li>Fertilizer plants (Farm Zone only)</li> <li>Mining, surface and subsurface</li> <li>Oil and gas wells</li> <li>Plant nurseries</li> <li>Temporary events</li> </ul>	<ul style="list-style-type: none"> <li>All other buildings, structures, signs, uses or expansion thereof</li> <li>Processing and/or sale of products produced off site (Ag Districts)</li> <li>Commercial slaughtering of animals (Ag Districts)</li> <li>Mining or drilling of minerals or petroleum (Ag Districts)</li> <li>Deposition onto land, into atmosphere, or into water, of solid waste (Ag Districts)</li> <li>Schools, churches, cemeteries, golf courses and public utility buildings (Ag Districts)</li> </ul>	<ul style="list-style-type: none"> <li>Agricultural support uses and structures, including but not limited to, farm equipment sales and service, feed stores, feedlots, processing/slaughtering facilities, packing facilities for products grown off-site, custom farming services, and waste handling and disposal services</li> <li>Commercial kennels</li> <li>Subsurface mining (and surface access)</li> <li>Surface mining (Ag Zoning only)</li> <li>Commercial stables</li> </ul>

**TABLE 1-1**

**Zoning Ordinances and Allowable Agriculture Uses  
Three-County Comparison**

<b>Placer County</b>	<b>El Dorado County</b>	<b>Nevada County</b>
<ul style="list-style-type: none"> <li>• Water extraction and storage (commercial)</li> <li>• Electric generating plants (Farm Zone only)</li> <li>• Explosives, manufacturing and storage</li> <li>• Food products, manufacturing</li> <li>• Slaughterhouse and rendering plants</li> <li>• Churches (Farm Zone only)</li> <li>• Community Centers (Farm Zone only)</li> <li>• Libraries and museums (Farm Zone only)</li> <li>• Membership organization facilities (Farm Zone only)</li> <li>• Parks, playgrounds and golf courses (Farm Zone only)</li> <li>• Rural recreation (Farm Zone only)</li> <li>• Schools (Farm Zone only)</li> <li>• Sports facilities and outdoor public assembly (Farm Zone only)</li> <li>• Caretaker, employee and farm labor housing</li> </ul>	<ul style="list-style-type: none"> <li>and public utility buildings (Ag Districts)</li> <li>• Recreational buildings and uses (Ag Districts)</li> <li>• Airports, heliports, landing strips, etc. (Ag Districts)</li> <li>• Kennels (Ag Districts)</li> <li>• Farm labor housing (Ag Districts)</li> <li>• Special events (Exclusive Agriculture)</li> </ul>	<ul style="list-style-type: none"> <li>• Woodyard</li> <li>• Bed and Breakfast</li> <li>• Cemeteries (Ag Zoning only)</li> <li>• Community meeting and social event facilities</li> <li>• Non-profit medical clinics (Ag Zoning only)</li> <li>• Retail nursery</li> <li>• Veterinary clinic</li> <li>• Temporary staging areas for public road projects</li> <li>• Multi-family dwellings</li> <li>• Dwelling groups</li> <li>• Community care facilities for more than 6 people (Ag Zoning only)</li> <li>• Day care center for more than 14 children (Ag Zoning only)</li> <li>• Day care home, 9 to 14 children</li> <li>• Employee housing</li> </ul>

**TABLE 1-1**

**Zoning Ordinances and Allowable Agriculture Uses  
Three-County Comparison**

<b>Placer County</b>	<b>El Dorado County</b>	<b>Nevada County</b>
<ul style="list-style-type: none"> <li>• Residential care homes, 7 or more clients (Farm Zone only)</li> <li>• Secondary dwellings</li> <li>• Farm equipment and supplies sales (Farm Zone only)</li> <li>• Cemeteries (Farm Zone only)</li> <li>• Correctional institutions (Farm Zone only)</li> <li>• Medical services – hospitals, vet clinics (Farm Zone only)</li> <li>• Offices, temporary (Farm Zone only)</li> <li>• Public safety facilities (Farm Zone only)</li> <li>• Public utility facilities (Farm Zone only)</li> <li>• Bed and Breakfast (Farm Zone only)</li> <li>• Airfields and landing strips</li> <li>• Antennas, communications facilities</li> <li>• Heliports (Farm Zone only)</li> </ul>		<ul style="list-style-type: none"> <li>• Mobilehome parks (Ag Zoning only)</li> <li>• Senior citizen and disabled housing – second units</li> <li>• Transitional housing for more than 6 people (Ag Zoning only)</li> <li>• Airports (Ag Zoning only)</li> <li>• Campgrounds</li> <li>• Churches (Ag Zoning only)</li> <li>• Communications towers</li> <li>• Emergency services</li> <li>• Parks and playgrounds</li> <li>• Schools (Ag Zoning only)</li> </ul>

## AGRICULTURAL OPERATIONS IN WESTERN PLACER COUNTY

Presently, agricultural production in Placer County is typified by large rice and field crop operations on the western edge of the county, significant tree fruit production in the transition zone between the Central Valley and the foothills, small-scale production in the foothills, and range livestock operations interspersed throughout. Recently, 997 farmers<sup>1</sup> and ranchers produced more than \$58 million in agricultural products (1999 statistics), with rice, cattle and calves, nursery products, and chickens being the most valuable commodities.<sup>2</sup>

Agricultural operations transition into timber production in the eastern portion of the County. However, lands in the central and eastern part of Placer County are not part of the study area.

## SOILS IN WESTERN PLACER COUNTY

### *Soils Classification*

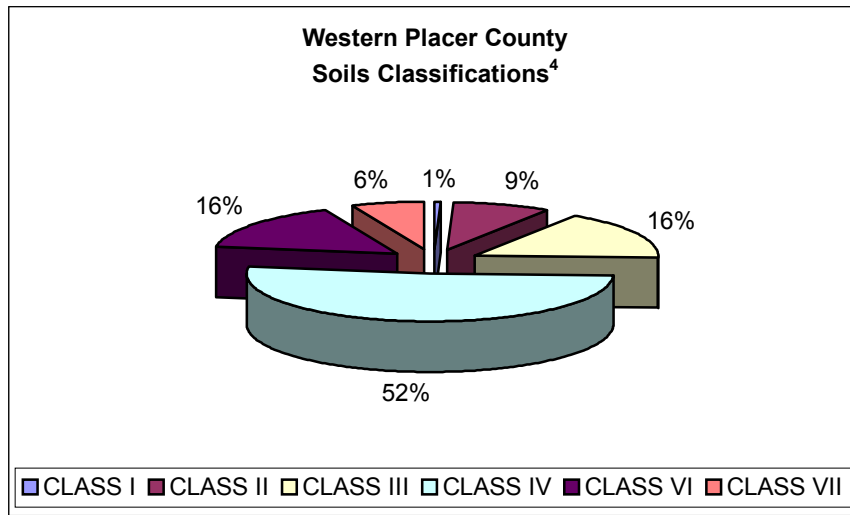
The United States Department of Agriculture Soil Conservation Service (now the Natural Resource Conservation Service) and the University of California Agricultural Experiment Station completed a soil survey of the western portion of Placer County in 1980. This work provides critical information as to the agricultural potential of the soils within the study area, thus suggesting the “highest and best agricultural use” for particular regions. Soils classifications for Placer County are shown in *Figure 1-1* below.

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<sup>1</sup> Placer County Agricultural Study (University of California Cooperative Extension Publication Number 31-623), page 2.

<sup>2</sup> California Department of Food and Agriculture Resource Directory 2000, page 44.

**FIGURE 1-1**



According to the soil survey, “the four areas of greatest potential for Placer County agriculture are (1) the acreage in apples and walnuts on the deep Aiken soils at elevations of 2,000 to 3,500 feet, (2) an expanded and more intensively farmed field and forage crops industry in the western part of the county, (3) range improvement and forage production for an expanding livestock industry, and (4) multiple land use of livestock, timber, Christmas tree production, water, conservation and recreation.”<sup>3</sup>

The Soil Survey also provides some indication of the varieties of crops that can be grown on each soil type. While it is tempting to apply this analysis across every acre of a given soil type, actual crop production depends on access to water, slope and aspect, and other local influences, as well as soil characteristics. Generally, the crops listed in *Table 1-2* can be produced on the soils found in Placer County.

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<sup>3</sup> Soil Survey of Placer County, California (western part), page 2.



**TABLE 1-2**  
**Soil Classes and Crops<sup>4</sup>**

Soil Classification	Acreage	Suitable Crops
Class I	1,650	Orchards, field crops
Class II	25,255	Orchards, vineyards, row crops, rice, field crops, pasture
Class III	48,855	Orchards, vineyards, row crops, rice, field crops, pasture
Class IV	154,119	Orchards, vineyards, row crops, rice, field crops, pasture
Class VI	47,940	Orchards, pasture, rangeland
Class VII	18,865	Rangeland

### *Important Farmland*

The California Department of Conservation administers the Farmland Mapping and Monitoring Program (FMMP), which produces maps and statistical data used for analyzing impacts on California's agricultural resources. Agricultural land is rated according to soil quality and irrigation status; the best quality land is called Prime Farmland. A total of 48 counties covering 44.1 million acres are mapped every two years. The following Department of Conservation (DOC)-defined categories of farmland exist within Placer County and are shown in DOC's most recently published (2000) Important Farmlands Map in *Figure 1-2* (Note: these DOC maps are updated every two years):<sup>5</sup>

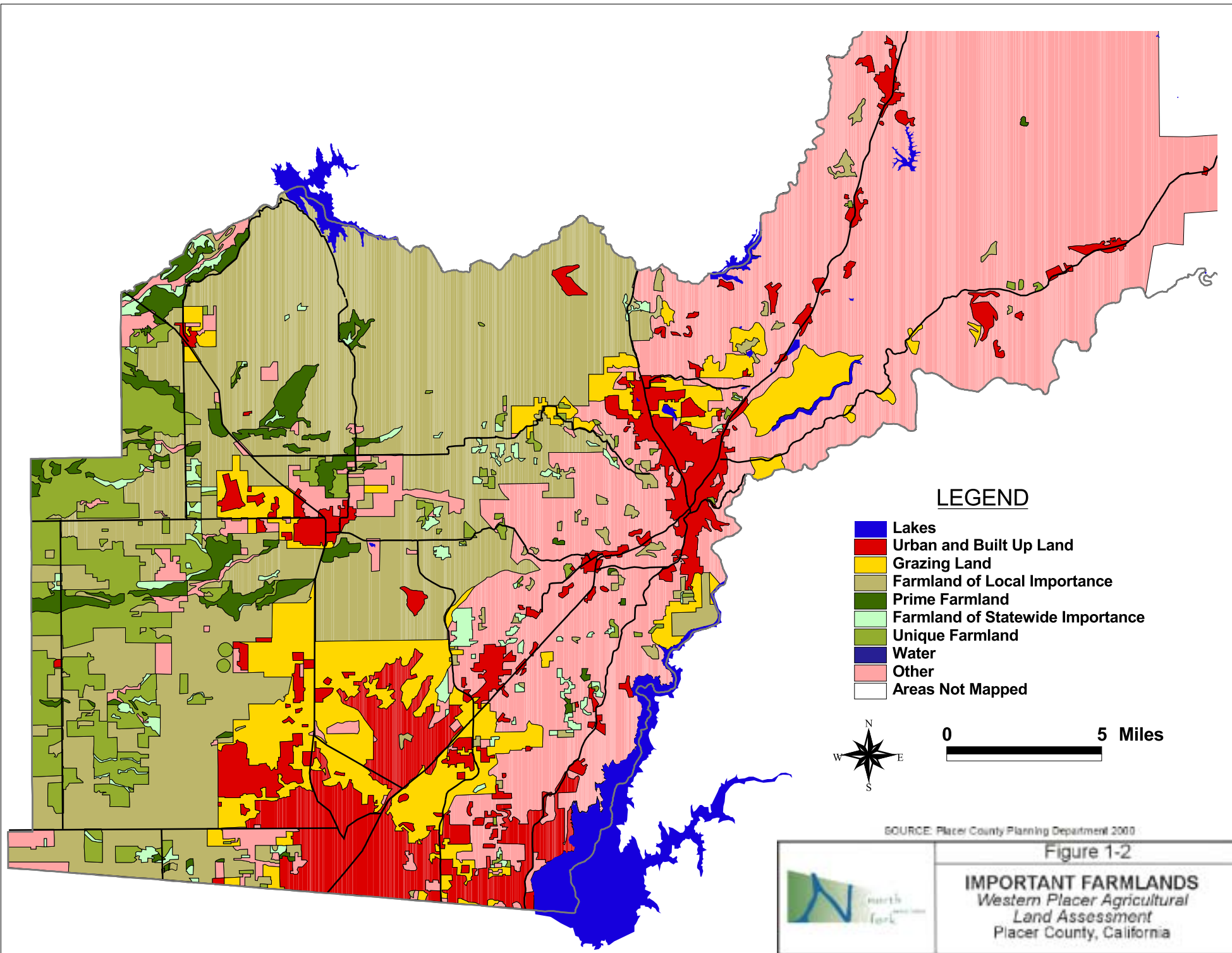
- Prime Farmland: Farmland with the best combination of physical and chemical features able to sustain long-term production of agricultural crops. This land has the soil quality, growing season, and moisture supply needed to produce sustained high yields. Land must have been used for production of irrigated crops at some time during the four years prior to the mapping date.
- Farmland of Statewide Importance: Farmland similar to Prime Farmland but with minor shortcomings, such as greater slopes or less ability to store soil moisture. Land must have been used for production of irrigated crops at some time during the four years prior to the mapping date.

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<sup>4</sup> Ibid.

<sup>5</sup> California Department of Conservation website ([www.consrv.ca.gov](http://www.consrv.ca.gov)).

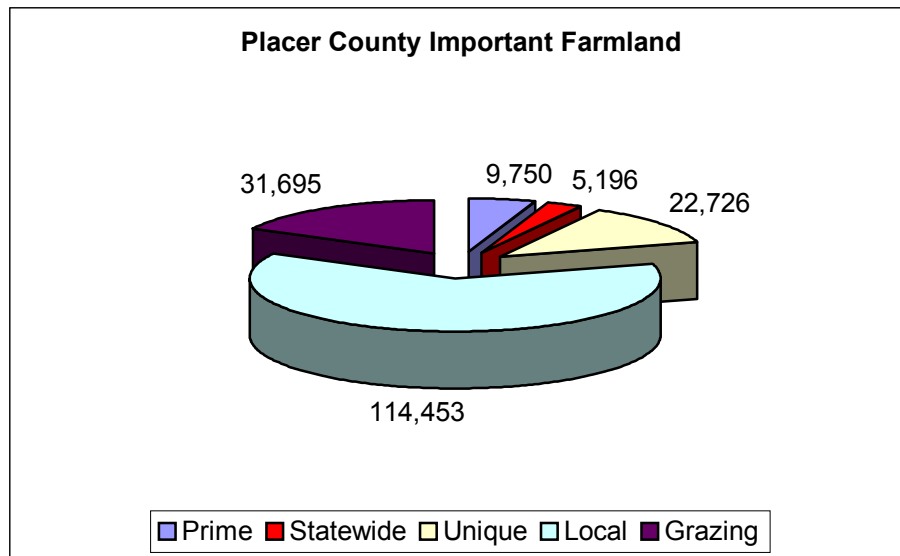
**FIGURE 1-2**  
**Important Farmlands Map**



- Unique Farmland: Farmland of lesser quality soils used for the production of the state's leading agricultural crops. This land is usually irrigated, but may include non-irrigated orchards or vineyards as found in some climatic zones in California. Land must have been cropped at some time during the four years prior to the mapping date.
- Farmland of Local Importance: Land of importance to the local agricultural economy as determined by each county's board of supervisors and a local advisory committee.

Figure 1-3 shows the percentage distribution of Placer County's farmland among these various categories.

**FIGURE 1-3**



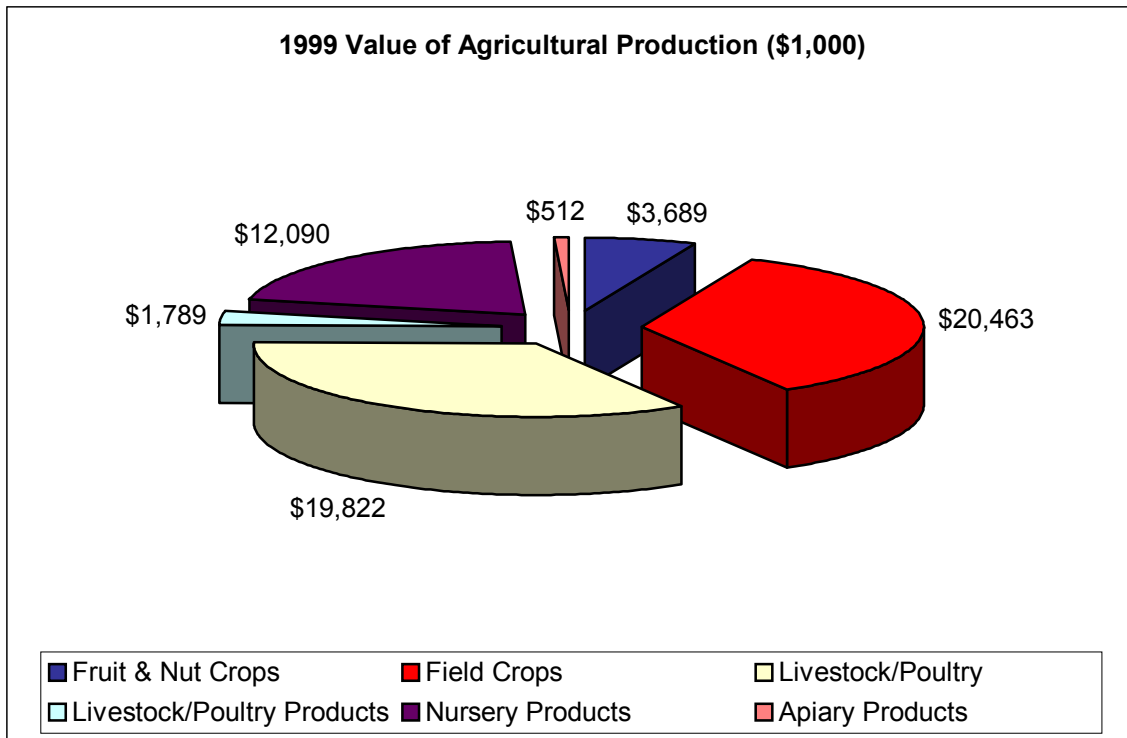
Source: Department of Conservation, 1998.

## CROPS/PRODUCTS PRODUCED IN PLACER COUNTY

### *Values*

According to the Placer County Department of Agriculture, the sale of agricultural products (excluding timber) generated more than \$58 million in gross value in 1999, up from \$48.5 million in 1998. A breakdown in crop values for 1999 is shown in Figure 1-4. Rice is the only major commodity program crop produced in the County (that is, rice is the only major crop that receives federal price supports).

**FIGURE 1-4**



While the gross value of agricultural production in Placer County has increased in nominal terms during the last half of the 1990s, this increase is due primarily to external market forces and crop shifts rather than increased production. Furthermore, *Figure 1-5* represents gross value. Net income to producers has actually declined (into negative territory for some commodities) because, while prices paid to producers have climbed moderately over time, prices received for agricultural products at the farm level have not kept pace with inflation. Consequently, higher prices for inputs have reduced net income substantially. Prices received also reflect global market conditions, while prices paid for inputs (fuel, electricity, labor, water, etc.) reflect local markets. As costs increase, farmers and ranchers have virtually no ability to pass these costs on to the consumer. The current power crisis (and anticipated water shortages) may force many producers from the industry.

**FIGURE 1-5**

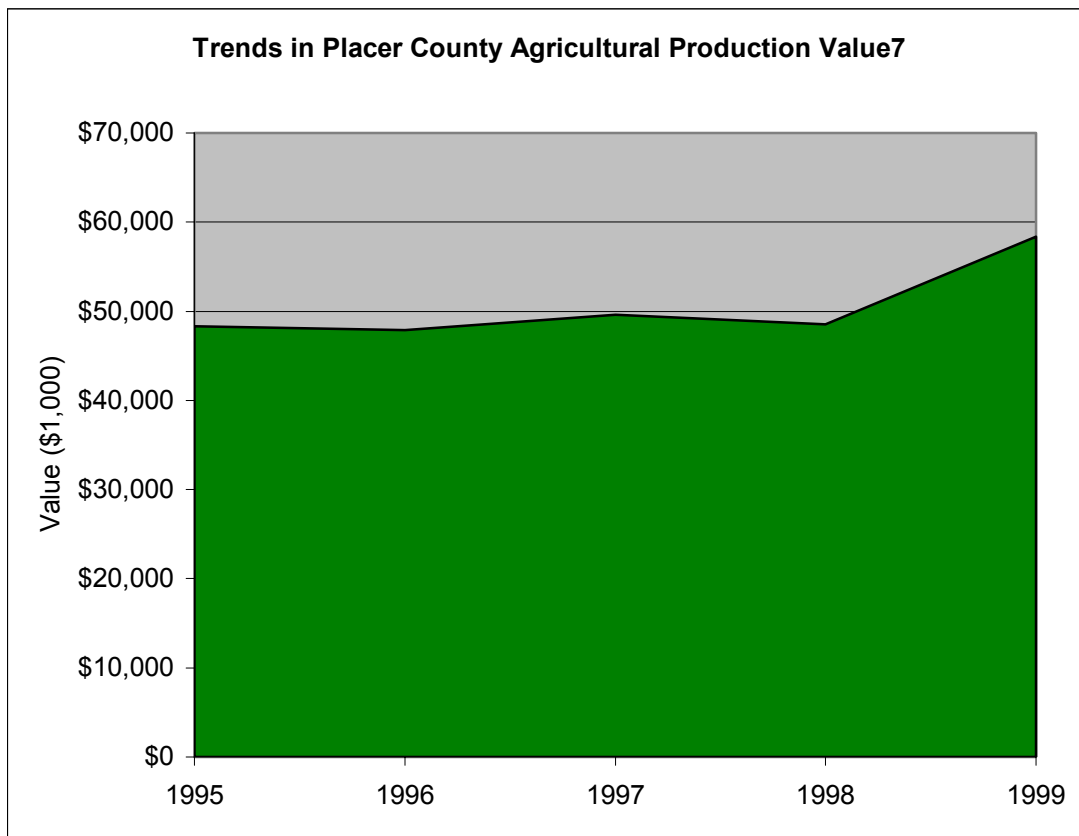


Table 1-3 demonstrates the 1999 values and acreages of specific commodities as reported to the Placer County Agricultural Commissioner.

**TABLE 1-3**

**Value of Specific Commodities<sup>6</sup>**

Crop/Commodity	Harvested Acreage or Unit	1999 Value
Fruit and Nut Crops		
Apples	62 acres	\$212,480
Grapes	76 acres	\$63,750
Kiwi	21 acres	\$102,376
Oranges, Mandarins	93 acres	\$240,204
Peaches	107 acres	\$200,754
Pears, Bartlett	37 acres	\$38,715

<sup>6</sup> Ibid.

**TABLE 1-3**  
**Value of Specific Commodities<sup>6</sup>**

<b>Crop/Commodity</b>	<b>Harvested Acreage or Unit</b>	<b>1999 Value</b>
Persimmons	14 acres	\$59,724
Pistachios	76 acres	\$277,794
Plums	200 acres	\$80,172
Prunes	334 acres	\$486,750
Walnuts	1,091 acres	\$1,528,958
Miscellaneous Fruits and Nuts <sup>a</sup>		\$397,346
Nursery Products		\$12,090,437
Livestock and Poultry Products		
Wool	40,460 pounds	\$12,138
Misc. Livestock & Poultry Products <sup>b</sup>		\$1,776,800
Livestock and Poultry		
Cattle and Calves	31,500 head	\$12,669,700
Chickens	2,708,400 head	\$5,943,700
Sheep	10,000 head	\$821,040
Swine	1,300 head	\$87,469
Other Livestock <sup>c</sup>		\$300,229
Apiary Products (honey, bees, pollination, and wax)		\$512,359
Field Crops		
Hay, Grain	2,380 acres	\$379,758
Hay, Other	2,800 acres	\$537,600
Pasture, Irrigated	26,300 acres	\$2,814,100
Pasture, Other	181,000 acres	\$1,493,250
Rice	15,793 acres	\$14,335,262
Miscellaneous Field Crops		\$902,610

<sup>a</sup> Miscellaneous Fruits and Nuts include bushberries, cherries, nectarines, olives, pears (other varieties) and strawberries.

<sup>b</sup> Miscellaneous Livestock and Poultry Products include chicken eggs and market milk.

<sup>c</sup> Other Livestock includes game birds, goats, goat milk, rabbits, turkeys and worms.

<sup>d</sup> Miscellaneous Field Crops include wheat, clover seed, corn and rye silage, corn for grain, oats for grain, safflower, sudan seed, sunflower seed, and firewood.

These official statistics do not tell the entire story, however. Small producers in Placer County produce a wide variety of crops as shown in Table 1-4 (*Note: these are general location indicators – crops are not limited exclusively to these areas*). The large tracts of farmland on the western edge of Placer County are generally unsuitable for these crops due to a variety of factors. These include inappropriate soil types, inadequate water, and higher costs compared to other regions of California that produce these crops. While these small operations can be quite productive and profitable, there are limited opportunities for the large-scale conversion to such crops because of the factors outlined above. Furthermore, the areas that are suitable for these crops are already subdivided into relatively small parcels (for the most part).

Many small-scale operations market directly to consumers, through on-farm sales, community supported agriculture (CSA) subscriptions, and certified farmers markets. Others (especially livestock and rice producers) may market their products similarly to larger scale producers.

Finally, small-scale strawberry production is increasing in western Placer County. These operations are difficult to quantify because they are extremely small scale and are located on leased land; and these producers are not generally represented by any organized group (i.e., PlacerGROWN, Placer County Farm Bureau, etc.). However, their operations are important examples of the potential of direct, on-farm marketing to consumers.

### *Geographic Distribution*

Generally, the production of field crops (rice, hay, grain, etc.) occurs west of the Lincoln-Roseville corridor. These lands are generally level or nearly level and consist of soil types conducive to the production of such crops. The production of fruits and nuts generally occurs in the foothill region, along with a large proportion of the small-scale vegetable production. The range livestock industry exists on both irrigated pasture and native rangeland and is dispersed throughout the western portion of the County.

**TABLE 1-4**  
**Crops Produced By Small-Scale Producers<sup>7</sup>**

<b>Commodity</b>	<b>Location(s) Produced<sup>a</sup></b>	<b>Commodity</b>	<b>Location(s) Produced<sup>b</sup></b>
Apples	Auburn	Nectarines	
Apricots	Newcastle	Nursery Stock	Newcastle, Loomis, Auburn
Aquaculture Products	Lincoln	Nuts	Auburn, Newcastle
Artichokes	Lincoln	Olives	Newcastle
Blackberries	Auburn	Onions	Auburn
Cherries	Auburn	Peaches	Loomis, Newcastle, Penryn
Chestnuts	Auburn	Pears	Auburn, Newcastle, Penryn
Christmas Trees	Meadow Vista, Applegate	Peas	Auburn
Cole crops	Newcastle	Peppers	Auburn
Cucumbers	Loomis, Auburn	Persimmons	Penryn, Newcastle
Cut Flowers	Newcastle, Auburn	Plums	Loomis, Newcastle, Penryn
Eggplant	Loomis, Auburn	Pomegranates	Newcastle, Penryn
Eggs	Lincoln, Auburn	Potatoes	Loomis, Auburn, Newcastle
Figs	Newcastle, Auburn	Pumpkins	Newcastle, Auburn
Garlic	Auburn	Rabbits	Auburn
Geese and Ducks	Lincoln	Raspberries	Auburn
Goats	Lincoln	Rhubarb	Auburn

<sup>7</sup> PlacerGROWN 1998-99 Directory.



**TABLE 1-4**  
**Crops Produced By Small-Scale Producers<sup>7</sup>**

<b>Commodity</b>	<b>Location(s) Produced<sup>a</sup></b>	<b>Commodity</b>	<b>Location(s) Produced<sup>b</sup></b>
Grapes	Loomis	Root Crops	Newcastle, Auburn
Green Beans	Auburn	Salad Greens	Newcastle, Auburn
Herbs	Newcastle, Auburn	Sheep & Wool	Auburn, Newcastle, Pleasant Grove
Honey	Auburn	Pheasants	Sheridan
Kiwi	Auburn, Lincoln	Summer Squash	Loomis, Newcastle, Auburn
Llamas	Penryn	Strawberries	Lincoln, Roseville, Granite Bay
Mandarins	Newcastle	Sweet Corn	Loomis, Newcastle, Auburn
Melons	Loomis, Auburn	Tomatoes	Loomis, Auburn
Navel Oranges	Penryn	Worms	Foresthill

<sup>a</sup> This list of locations is not exhaustive; many of the products listed in this table are produced throughout western Placer County.

<sup>b</sup> This list of locations is not exhaustive; many of the products listed in this table are produced throughout western Placer County.

The Department of Water Resources (DWR) is responsible for completing the California Water Plan (Bulletin 160) every five years. This plan evaluates current water demand from all sectors (municipal/industrial, agricultural and environmental) and projects future water demands based on land use changes, technological developments and other factors. The most recent land use survey and mapping of Placer County was completed by DWR in 1994—land uses are shown on *Figure 2-5* in Chapter 2 of this report. This database was used in preparation for DWR's 1998 issue of Bulletin 160. The acreage figures used by DWR are adjusted annually to track crop acreage by comparing aerial photographs to the annual crop reports prepared by the Agricultural Commissioner. Differences between DWR figures and crop report statistics are due to the evaluation of gross versus net farmed acreage. Since DWR prepares this report every five years, we recommend that the County obtain new maps as they become available. This will provide the County with the most useful, up-to-date and cost-effective information relative to agricultural production patterns.<sup>8</sup>

## TRENDS IN AGRICULTURE

### *Small Scale Production*

Some large-scale producers are beginning to seek opportunities for developing small-scale, intensively farmed enterprises. These types of activities may include fresh market strawberries, meat goat production and other endeavors that significantly increase per acre returns.

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<sup>8</sup> Richard Cocke, Department of Water Resources, personal communication.

### *Agricultural Tourism and Recreation*

Other trends include increased interest in agricultural tourism and recreational opportunities. Rice producers in particular have successfully developed hunting operations that are integrated with their agricultural operations. Other producers have developed tour programs, home stays and other tourism opportunities.

### *Biofuels*

An additional trend includes the potential for using agricultural by-products for power generation and fuel production. The current electricity shortage has created incentives for biomass generation using waste products. A recent ruling by the United States Environmental Protection Agency may encourage the production of ethanol in Placer County as a gasoline additive. While these opportunities may add value to Placer County crops, several barriers exist. The cost of harvesting, processing and transporting waste materials and other by-products may be prohibitive for individual producers.

### *Marketing and Distribution*

The recent hiring of an agricultural marketing specialist by Placer County should raise the profile of locally grown products both locally and regionally. The greatest opportunity exists currently for fresh products that do not need to be shipped outside of Placer County for processing.

### *Conversion to higher value crops*

The conversion of agricultural production to higher value crops is somewhat limited by soil type; competition from other regions; water availability, reliability and affordability; market fluctuations; and climate.

### *Water as a Commodity for Sale from Agriculture to Urban Uses*

While no specific information was made available on any sales or temporary transfers of agricultural water to other uses in Placer County, water districts in neighboring counties have engaged in water transfers. Generally, individual landowners cannot transfer water to a different use (e.g., municipal). Transfers are made by the water districts.

## PLACER COUNTY AGRICULTURAL PRODUCERS

Placer County farms are overwhelmingly family-owned and operated. According to the survey respondents in the Placer County Agricultural Study<sup>9</sup>, 90 percent of the County's farms are family owned. Those operations that are corporately owned are generally owned by family

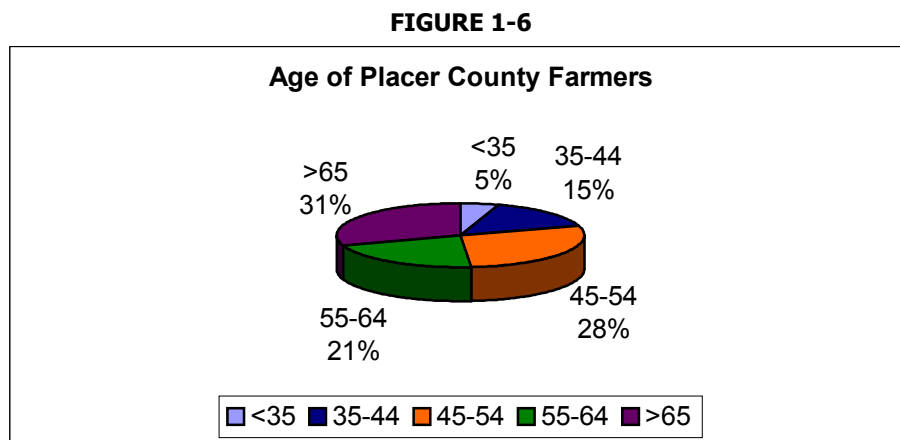
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<sup>9</sup> Placer County Agricultural Study (University of California Cooperative Extension Publication Number 31-623), page 6.

corporations.<sup>10</sup> Average farm size is 140 acres<sup>11</sup> (well below the state's average farm size of 312 acres<sup>12</sup>). Most Placer County farmers have been at their present operation for more than 10 years.

### *Age Trends*

As in most of California and U.S. agriculture, the farm population in Placer County is aging. In 1997, the average of a farmer in Placer County was 56.6 years. *Figure 1-6* indicates that more than half of the farmers in the County were 55 or older.<sup>13</sup> Only 20 percent of Placer County farmers are under the age of 45.



The aging farm population has serious implications for the future of agriculture in Placer County. According to the Placer County Agricultural Study, nearly half of those responding had no family members interested in continuing to farm on their property.<sup>14</sup> Many farmers view their landholdings either as a retirement fund or as an inheritance for heirs. Consequently, the combination of an aging farm population and lack of interest in farming by heirs will likely result in the sale of a large number of agricultural properties in the county during the next 20 years. Alternatively, heirs may split agricultural properties to facilitate individual, undivided ownership. This further fragments agricultural land.

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<sup>10</sup> *Ibid.*, page 6.

<sup>11</sup> *Ibid.*, page 4.

<sup>12</sup> California Department of Food and Agriculture Resource Directory 2000, page 43.

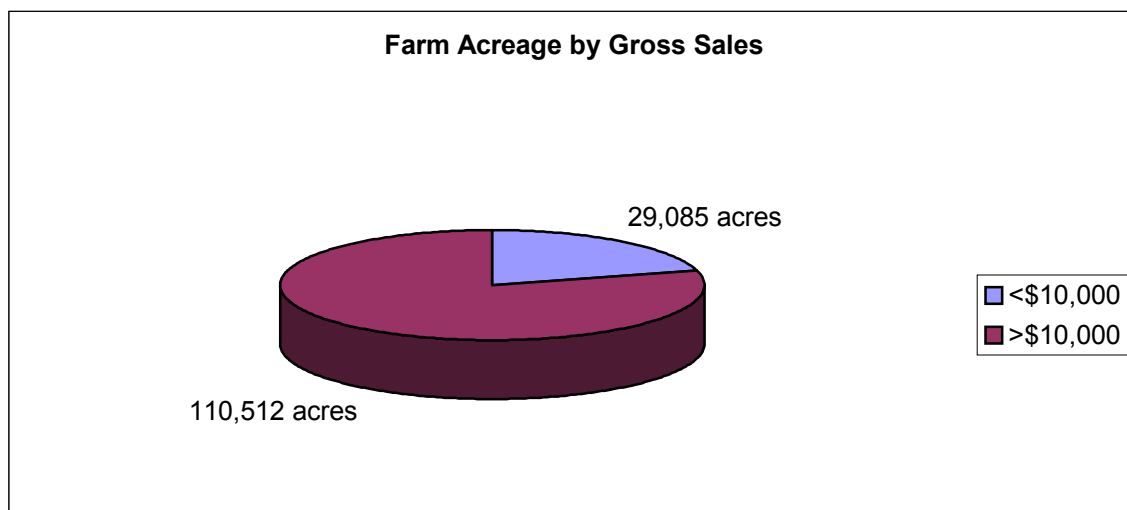
<sup>13</sup> Placer County Agricultural Study (University of California Cooperative Extension Publication Number 31-623), page 7.

<sup>14</sup> *Ibid.*

### *Large versus Small Operations*

Of Placer County's 997 farming operations, only 257 have gross sales in excess of \$10,000. Obviously, small farming operations are increasingly important in the County. While farms with gross sales in excess of \$10,000 account for 79 percent of the farmed acreage in Placer County, these operations make up just 26 percent of the total number of farms.

**FIGURE 1-7**



Large operations typically produce bulk commodities (e.g., rice, grains, etc.), forage crops (e.g., hay) or livestock. Markets for these types of products are global, and processing and marketing facilities are often located outside of Placer County (and for some livestock products, outside of California). The crop or animal produced by a single producer in Placer County may be commingled with that produced by other farmers in and out of the County. Consequently, these large operators have traditionally had very little opportunity for developing local or direct marketing opportunities.

Small operations, on the other hand, can often develop niche markets that increase the profit margin on each unit produced. Many of the small producers in Placer County market directly to consumers through farmers markets, CSAs, restaurants and retail outlets. Unlike bulk commodities, small producers can often develop the equivalent of brand loyalty with their customers. Small operations typically produce fruits and vegetables, nuts, and eggs.

### *Full-time versus Part-time Producers*

According to the Placer County Agricultural Study<sup>15</sup>, 43.8 percent of the farmers in Placer County farm full-time. This ratio is the same for both large and small operators,<sup>16</sup> and

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<sup>15</sup> Placer County Agricultural Study (University of California Cooperative Extension Publication Number 31-623), page 7.

represents a growing trend in American agriculture. As agricultural revenues decline and costs increase, many farm families turn to off-farm income sources as a means of supporting their “farming habits.” Since this ratio holds for both large and small operations in Placer County, it emphasizes the challenges that all farmers face in making a living entirely from the land. However, since 1982, the number of farmers who list farming as their primary occupation increased by 8 percent.<sup>17</sup>

### *Labor Supply*

Affordable labor is a challenge for Placer County agricultural producers, like it is for all California producers. Labor costs for crops that do not lend themselves to mechanization (e.g., fruit and fresh market vegetables) are especially high. Furthermore, growth in other sectors of the economy creates an agricultural labor shortage. Labor issues are particularly challenging for large producers; small producers typically provide all of their own labor. Similarly, livestock producers generally provide most of their own labor.

## IMPACTS OF POPULATION GROWTH

The unifying factor for all of Placer County agriculture is pressure and opportunities related to population growth. Placer County is one of the two fastest growing counties in California (by percent growth) according to the State Department of Finance.<sup>18</sup> While the conversion of farmland to other uses drives up land prices and intensifies edge conflicts, the combination of increased population and high disposable incomes creates unique niche and direct marketing opportunities for some commodities. In other words, population growth can both benefit and harm agricultural production.

The primary adverse impact of population growth on farming relates to land use and land values—population growth increases the demand for land, which proportionately increases land values; furthermore, increased subdivision fragments landownership patterns. Indirect impacts include potential conflicts with neighbors over production practices. These nuisance issues work both ways. Residential landowners may object to early morning harvesting operations, while ranchers may be forced to deal with harm to their livestock from neighborhood dogs. Even with Placer County’s Right to Farm Ordinance, these conflicts will likely increase as the County continues to grow.

On the positive side of the equation, the combination of increased population and high disposable income may provide unique opportunities for niche and direct marketing. Several restaurants in western Placer County now feature locally produced foods. Farmers markets, CSAs and other direct marketing opportunities appear to be increasing, as do retail produce

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<sup>16</sup> *Ibid.*, page 8.

<sup>17</sup> *Ibid.*, page 6.

<sup>18</sup> Placer Legacy Open Space and Agricultural Conservation Program, page 2-1.

outlets with a local focus. Small and medium-size operations (less than 50 acres and 50-150 acres, respectively) are likely to be in the best position to benefit from these trends. Large operations (greater than 150 acres) that produce bulk commodities or livestock products may have less opportunity to benefit. A detailed discussion of population growth projections and land use trends is included in Chapter 4 of this report.

## CONCLUSIONS

While Placer County farmers and ranchers produce a tremendous variety of agricultural commodities, these producers are challenged by the global economic factors impacting producers throughout the state. The combination of low commodity prices and increasing input costs seriously threatens to the continued economic viability of agriculture in Placer County (and in California). While some producers may survive by growing larger (thus increasing their economies of scale), these growth opportunities are limited in Placer County due to landownership patterns and trends. The future success of agriculture in the County likely depends on current and forthcoming efforts to increase local marketing and value-added opportunities and in farm diversification (into tourism and recreation, for example). Placer's growing urban and suburban population has higher than average disposable income. Statewide marketing surveys indicate that mid- to high-income consumers may be willing to pay premiums for locally produced, high quality products. The trends in the age of Placer County farmers, combined with economic and regulatory uncertainty, create disincentives for the long-term conservation of farmland. However, an increase in farm-level economic returns (through a variety of means) will have the greatest impact on the conservation of agricultural land in Placer County.

## RECOMMENDATIONS

Uncertainty (in terms of economics, input availability and regulation) creates disincentives for many current producers to remain in the industry. While it is understood that many of these issues are beyond the County's purview, the County should:

1. Review its own policies and regulations (both existing and proposed) to determine their impact on agriculture.
2. Examine regulations that encourage or discourage the diversification of ranching and farming operations.
3. Develop a proposal with the Agricultural Commission for mitigating the conversion of agricultural land to other uses. This mitigation should take the form of purchasing voluntary agricultural easements and funding processing and marketing facilities.
4. Promote use of by-products for power generation and fuel production as a means of increasing the value of Placer County crops.

5. Provide incentives to farmers to offset the costs associated with these types of activities.
6. Continue to support niche and direct marketing opportunities for locally grown products over the long term.